

**TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT**

TO: Mayor and Councilmembers

FROM/PHONE: Susan Dean, Programs Manager, 797-1042

DOCUMENT PREPARED BY: Susan Dean

SUBJECT: Resolution

AFFECTED DISTRICT: Town wide

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA AUTHORIZING THE TOWN COUNCIL OF THE TOWN OF DAVIE, TO ACCEPT FCC FORM 394 SUBMITTED BY BELL SOUTH ENTERTAINMENT, LLC; PROVIDING FOR AN EFFECTIVE DATE.

REPORT IN BRIEF:

In 1998, The Town of Davie entered into an Agreement with BellSouth Interactive Media Services (A.K.A. BellSouth Entertainment LLC) for cable television. Recently BellSouth Corporation (BellSouth) and AT&T, Inc. (AT&T) entered into a merger. Following the merger, the parent corporation of the cable franchisee BellSouth Entertainment, LLC will become a wholly owned subsidiary of AT&T. Although the merger of AT&T and BellSouth will result in a change of the ownership of BellSouth, there will be no change in the ownership of BellSouth Entertainment. BellSouth Entertainment will continue to hold the franchise for the Town and will still own, operate and manage the cable system after the merger. There will be no noticeable effect on the Town.

BellSouth Entertainment and AT&T are submitting Form 394 for approval by the Town in accordance with Section 617(e) of the Federal Cable Act, 47 U.S.C. § 537.

PREVIOUS ACTIONS:

Previous Resolution R98-393, authorizing the execution of the Agreement of Cable services between the Town of Davie and BellSouth Interactive Media Services (A.K.A. BellSouth Entertainment LLC)

CONCURRENCES: None

FISCAL IMPACT:

No budget required

RECOMMENDATION(S): Motion to approve Resolution

Attachment(s):

1) Exhibit A -Application for Form 394

2) Franchise Agreement between the Town of Davie and BellSouth Interactive Media Services (a.k.a. BellSouth Entertainment, LLC) is available on request

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA AUTHORIZING THE TOWN COUNCIL OF THE TOWN OF DAVIE TO ACCEPT FCC FORM 394 SUBMITTED BY BELL SOUTH ENTERTAINMENT, LLC; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, BellSouth Entertainment, LLC (Franchisee), owns, operates and maintains a cable television system in the Town of Davie (Franchising Authority); and,

WHEREAS, Franchisee has provided the Franchising Authority with Federal Communications Commission Form 394 and other information; and,

WHEREAS, Franchising Authority has reviewed the Application submitted by the Franchisee; and,

WHEREAS, Franchisee will continue to hold the Franchise and own, operate and maintain the system after the Transaction; and,

WHEREAS, Franchisee agrees that the merger between AT&T, Inc. and BellSouth Corporation will not in any way affect the terms of the Franchise Agreement entered into between the Town of Davie and BellSouth Interactive Media Services, Inc., (AKA BellSouth Entertainment LLC) as said Agreement will continue in full force and effect and will continue to govern the Franchise Agreement for cable services provided to the Town of Davie.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council of the Town of Davie hereby consents to and approves the Application, a copy of which is attached hereto as Exhibit A.

SECTION 2. The Franchising Authority hereby acknowledges and confirms that a) the Franchise is in full force and effect; b) all material obligations of the Franchisee with respect to the operation of the System are set forth in the Franchise, and the Franchisee has made no material commitments and owes no material

obligations to the Franchising Authority other than those specifically stated in the Franchise Agreement subject to applicable provisions of federal, stat and local law, and c) the Franchisee is in compliance in all material respects with the terms and conditions of the Franchise.

SECTION 3. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2006.

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

INVESTOR DISCLOSURE NOTICE

Cautionary Language Concerning Forward-Looking Statements

We have included or incorporated by reference in this document financial estimates and other forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These estimates and statements are subject to risks and uncertainties, and actual results might differ materially from these estimates and statements. Such estimates and statements include, but are not limited to, statements about the benefits of the merger, including future financial and operating results, the combined company's plans, objectives, expectations and intentions, and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of the management of AT&T Inc. and BellSouth Corporation and are subject to significant risks and uncertainties and outside of our control.

Readers are cautioned that the following important factors, in addition to those discussed in this statement and elsewhere in the proxy statement/prospectus to be filed by AT&T with the SEC, and in the documents incorporated by reference in such proxy statement/prospectus, could affect the future results of AT&T and BellSouth or the prospects for the merger: (1) the ability to obtain governmental approvals of the merger on the proposed terms and schedule; (2) the failure of BellSouth shareholders to approve the merger; (3) the risks that the businesses of AT&T and BellSouth will not be integrated successfully; (4) the risks that the cost savings and any other synergies from the merger may not be fully realized or may take longer to realize than expected; (5) disruption from the merger making it more difficult to maintain relationships with customers, employees or suppliers; (6) competition and its effect on pricing, costs, spending, third-party relationships and revenues; (7) the risk that any savings and other synergies relating to the resulting sole ownership of Cingular Wireless LLC may not be fully realized or may take longer to realize than expected; (8) final outcomes of various state and federal regulatory proceedings and changes in existing state, federal or foreign laws and regulations and/or enactment of additional regulatory laws and regulations; (9) risks inherent in international operations, including exposure to fluctuations in foreign currency exchange rates and political risk; (10) the impact of new technologies; (11) changes in general economic and market conditions; and (12) changes in the regulatory environment in which AT&T and BellSouth operate. Additional factors that may affect future results are contained in AT&T's, BellSouth's, and Cingular Wireless LLC's filings with the Securities and Exchange Commission ("SEC"), which are available at the SEC's website (<http://www.sec.gov>). Neither AT&T nor BellSouth is under any obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.

This document may contain certain non-GAAP financial measures. Reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at www.sbc.com/investor_relations.

The cites to webpages in this document are for information only and are not intended to be active links or to incorporate herein any information on the websites, except the specific information for which the webpages have been cited.

FCC 394

APPLICATION FOR FRANCHISE AUTHORITY
CONSENT TO ASSIGNMENT OR TRANSFER OF CONTROL
OF CABLE TELEVISION FRANCHISE

SECTION I. GENERAL INFORMATION

FOR FRANCHISE AUTHORITY USE ONLY

DATE: March 31, 2006	1. Community Unit Identification Number: FL 1233
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2. Application for: ☐ Assignment of Franchise ☒ Transfer of Control

3. Franchising Authority:	Town of Davie
4. Identify community where the system/franchise that is the subject of the assignment or transfer of control is located: Davie, Florida	
5. Date system was acquired or (for system's constructed by the transferor/assignor) the date on which service was provided to the first subscriber in the franchise area:	Jul-99
6. Proposed effective date of closing of the transaction assigning or transferring ownership of the system to transferee/assignee:	Currently estimated for the fourth quarter of 2006

7. Attach as an Exhibit a schedule of any and all additional information or material filed with this application that is identified in the franchise as required to be provided to the franchising authority when requesting its approval of the type of transaction that is the subject of this application.

Exhibit No.
1

PART I - TRANSFEROR/ASSIGNOR

1. Indicate the name, mailing address, and telephone number of the transferor/assignor.

Legal name of Transferor/Assignor (If individual, list last name first) BellSouth Corporation			
Assumed name used for doing business (if any) N/A			
Mailing street address or P.O. Box 675 W. Peachtree Street, N.W., Suite 4515			
City Atlanta	State GA	ZIP Code 30375	Telephone No. (include area code) (404) 927-1900

- 2.(a) Attach as an Exhibit a copy of the contract or agreement that provides for the assignment or transfer of control (including any exhibits or schedules thereto necessary in order to understand the terms thereof). If there is only an oral agreement, reduce the terms to writing and attach. (Confidential trade, business, pricing or marketing information, or other information not otherwise publicly available, may be redacted).

Exhibit No.
2

- (b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and the transferee/assignee?

☒ Yes ☐ No

If No, explain in an Exhibit.

Exhibit No.

SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

1. Transferee/Assignee is:

☒ Corporation

a. Jurisdiction of incorporation: Delaware	d. Name and address of registered agent in jurisdiction: Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801
b. Date of incorporation: Oct. 5, 1983	
c. For profit or not-for-profit: For profit	

☐ Limited Partnership

a. Jurisdiction in which formed:	c. Name and address of registered agent in jurisdiction:
b. Date of formation:	

☐ General Partnership

a. Jurisdiction whose laws govern formation:	b. Date of formation:
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☐ Individual

☐ Other. Describe in an Exhibit.

Exhibit No.

2. List the transferee/assignee, and, if the transferee/assignee is not a natural person, each of its officers, directors, stockholders beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%. Use only one column for each individual or entity. Attach additional pages if necessary. (Read carefully - the lettered items below refer to corresponding lines in the following table.)

- (a) Name, residence, occupation or principal business, and principal place of business. (If other than an individual, also show name, address and citizenship of natural person authorized to vote the voting securities of the applicant that it holds.) List the applicant first, officers, next, then directors and, thereafter, remaining stockholders and/or partners.
 (b) Citizenship.
 (c) Relationship to the transferee/assignee (e.g., officer, director, etc.).
 (d) Number of shares or nature of partnership interest.
 (e) Number of votes.
 (f) Percentage of votes.

(a)	See Exhibit 4.	
(b)		
(c)		
(d)		
(e)		
(f)		

3. If the applicant is a corporation or a limited partnership, is the transferee/assignee formed under the laws of, or duly qualified to transact business in, the State or other jurisdiction in which the system operates?

☐ Yes ☒ No

If the answer is No, explain in an Exhibit.

Exhibit No.

5

4. Has the transferee/assignee had any interest in or in connection with an applicant which has been dismissed or denied by any franchise authority? **

☐ Yes ☒ No

If the answer is Yes, describe circumstances in an Exhibit.

Exhibit No.

****We interpret question 4 as referring to an applicant for a cable television franchise pursuant to Title VI of the federal Communications Act of 1934.**

5. Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the transferee/assignee in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authorization (including cable franchises) to provide video programming services; mass media related antitrust or unfair competition; fraudulent statements to another government unit; or employment discrimination?

☐ Yes ☒ No

If the answer is Yes, attach as an Exhibit a full description of the persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable), and the disposition of such proceeding.

Exhibit No.

6. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights with respect to any attributable interest as described in Question 2 (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)?

☐ Yes ☒ No

See Exhibit 6

If Yes, provide particulars in an Exhibit.

7. Do documents, instruments, agreements or understandings for the pledge of stock of the transferee/assignee, as security for loans or contractual performance, provide that: (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of any ownership rights by a purchaser at a sale described in (b), any prior consent of the FCC and/or of the franchising authority, if required pursuant to federal, state or local law or pursuant to the terms of the franchise agreement will be obtained?

☐ Yes ☒ No

If No, attach as an Exhibit a full explanation.

Exhibit No.

7

SECTION III. TRANSFEREE'S/ASSIGNEE'S FINANCIAL QUALIFICATIONS

1. The transferee/assignee certifies that it has sufficient net liquid assets on hand or available from committed resources to consummate the transaction and operate the facilities for three months.
2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principals, including a balance sheet and income statement for at least one full year, for the transferee/assignee or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Such statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the franchise authority and its agents to the extent permissible under local law.

☒ Yes ☐ No

Exhibit No.

8

SECTION IV. TRANSFEREE'S/ASSIGNEE'S TECHNICAL QUALIFICATIONS

Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable systems currently or formerly owned or operated.

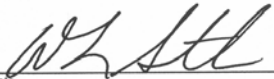
Exhibit No.

9

SECTION V - CERTIFICATIONS

Part I - Transferor/Assignor

All the statements made in the application and attached exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature 
	Date 3/28/06
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Print full name William L. Smith, Chief Technology Officer BellSouth Corporation
	Check appropriate classification: <input type="checkbox"/> Individual <input type="checkbox"/> General Partner <input checked="" type="checkbox"/> Corporate Officer (Indicate Title) <input type="checkbox"/> Other. Explain:

Part II - Transferee/Assignee

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certifies that he/she:

- (a) Has a current copy of the FCC's Rules governing cable television systems.
- (b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.
- (c) ~~Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.~~
- (c) The transaction does not affect any commitment made by the Franchisee in its franchise or the enforceability of such commitments against the Franchisee.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature
	Date
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Print full name Wayne Watts, Senior Vice President & Associate General Counsel, AT&T Inc.
	Check appropriate classification: <input type="checkbox"/> Individual <input type="checkbox"/> General Partner <input checked="" type="checkbox"/> Corporate Officer (Indicate Title) <input type="checkbox"/> Other. Explain:

SECTION V - CERTIFICATIONS

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All the statements made in the application and attached exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date
	Print full name William L. Smith, Chief Technology Officer BellSouth Corporation
Check appropriate classification:	
<input type="checkbox"/> Individual	<input type="checkbox"/> General Partner
<input checked="" type="checkbox"/> Corporate Officer (Indicate Title)	<input type="checkbox"/> Other. Explain:

Part II - Transferee/Assignee

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certifies that he/she:

- (a) Has a current copy of the FCC's Rules governing cable television systems.
- (b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.
- (c) ~~Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.~~
- (c) The transaction does not affect any commitment made by the Franchisee in its franchise or the enforceability of such commitments against the Franchisee.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature <i>Wayne Watts</i>
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date March 28, 2006
	Print full name Wayne Watts, Senior Vice President & Associate General Counsel, AT&T Inc.
Check appropriate classification:	
<input type="checkbox"/> Individual	<input type="checkbox"/> General Partner
<input checked="" type="checkbox"/> Corporate Officer (Indicate Title)	<input type="checkbox"/> Other. Explain:

EXHIBIT 1

The applicants have set forth in Attachment 1 to this Exhibit 1 information in response to the cable franchise and/or cable ordinance as requested by the franchising authority only to the extent that the applicants believe it is appropriately responsive and sufficient to permit the franchising authority to review a transaction involving a transfer of control of the franchisee's ultimate parent to a public corporation of the size and with the resources of AT&T Inc.; where the current franchisee would continue to hold the franchise and would own, manage and operate the cable system; and where there are no current plans to change the franchisee's plans with respect to the system as a consequence of the transaction. Unless otherwise specified, the information provided in the attachment pertains solely to the transferee, AT&T Inc.

ATTACHMENT 1 TO EXHIBIT 1

I. Purpose of the Transfer

AT&T Inc. ("AT&T") and BellSouth Corporation ("BellSouth") have entered into an agreement to merge the two companies, a combination that will create a more effective and efficient provider in the wireless, broadband, video, voice and data markets. The merger will streamline the ownership and operations of Cingular Wireless, which is jointly owned by AT&T and BellSouth. The new company will be more innovative, nimble and efficient, providing benefits to customers by combining the Cingular, BellSouth and AT&T networks into a single fully integrated wireless and wireline Internet Protocol network offering a full range of advanced solutions. As a result, the combined company will be better able to speed the convergence of new and improved services for consumers and businesses, and embrace the industry's shift to Internet Protocol network-based technologies. A copy of the merger agreement can be found on the enclosed CD. *See also* Exhibit 2 (providing a description of the transaction and a diagram showing the direct ownership chain of BellSouth Entertainment before and after the merger).

II. Corporate Information

The executive offices of AT&T are located at 175 E. Houston Street, San Antonio, Texas, 78205. The executive offices of AT&T are the administrative headquarters for all subsidiaries and affiliates of AT&T. A list of principal subsidiaries of AT&T as of December 31, 2005 is set forth in Exhibit 21 of AT&T's 2005 Annual Report on Form 10-K. AT&T's 2005 Annual Report on Form 10-K, AT&T's 2006 Notice of Annual Meeting and Proxy Statement, and AT&T's 2005 Annual Report to Stockholders contain additional information about the business operations and corporate organization of AT&T. Copies of these documents can be found on the enclosed CD.

Exhibit 4 to this Form 394 provides information regarding each executive officer, director, and shareholder beneficially holding more than 5% of the outstanding voting shares of AT&T.

With respect to AT&T Inc.'s legal qualifications, please see responses to Form 394, Section II, Questions 4 & 5.

III. Financial Information

Detailed financial data about the transferee, AT&T, for the year 2005 is contained in Exhibit 12 of AT&T's 2005 Annual Report on Form 10-K and on pages 17-86 of AT&T's 2005 Annual Report to Stockholders.

The Agreement does not contain a purchase price for the cable system because the cable system is not being sold. Rather, at closing, each share of BellSouth common stock will be converted into 1.325 shares of AT&T common stock.

The franchisee, BellSouth Entertainment, does not prepare separate financial statements with respect to individual cable franchises. However, BellSouth Entertainment periodically files various reports with the Franchising Authority containing information about rates, revenues and number of subscribers for the cable system.

IV. Operation of the Cable System

Although the merger of AT&T and BellSouth would result in a change in the ownership of BellSouth, there would be no change in the direct ownership or operation of BellSouth Entertainment as a result of the transaction. BellSouth Entertainment would continue to manage and operate the cable system after the transaction described in this Form 394. There are no current plans to change the rates, terms and conditions of service or operations of the system as a consequence of the transaction described in this Form 394. The transaction does not affect any commitment made by BellSouth Entertainment in its franchise or the enforceability of such commitments against BellSouth Entertainment.

AT&T does not currently own or operate cable systems. BellSouth Entertainment's experience operating cable systems and AT&T's present expertise in the delivery of multichannel video programming services are described in Exhibit 9 of this Form 394. As a result of its experience operating cable systems to date, BellSouth Entertainment will remain fully technically qualified to operate the system.

Concurrently with the filing of this Form 394, the parties are providing to the Town one copy of a map showing the portions of the Town currently served by BellSouth Entertainment. If you would like additional copies of this map, please let us know.

V. Miscellaneous

This Form 394 contains the information required by federal law to be submitted to a franchising authority. There is no State law requiring AT&T to submit information to a local jurisdiction as part of a transfer of control request. BellSouth Entertainment will remain legally qualified to transact business in the State. See Exhibit 5.

In connection with the proposed merger, AT&T intends to file a registration statement on Form S-4, including a joint proxy statement/prospectus of AT&T and BellSouth, and AT&T and BellSouth will file other materials with the Securities and Exchange Commission (the "SEC"). The Franchising Authority will be able to obtain free copies of the registration statement and joint proxy statement, when they become available, as well as other filings containing information about AT&T and BellSouth, without charge, at the SEC's Web site (www.sec.gov). Copies of AT&T's filings may also be obtained without charge from AT&T at AT&T's Web site (www.att.com) or by directing a request to AT&T Inc. Stockholder Services, 175 E. Houston, San Antonio, Texas 78205. Copies of BellSouth's filings may be obtained without charge from BellSouth at BellSouth's Web site (www.bellsouth.com) or by directing a request to BellSouth at Investor Relations, 1155 Peachtree Street, N.E., Atlanta, Georgia 30309.

EXHIBIT 2

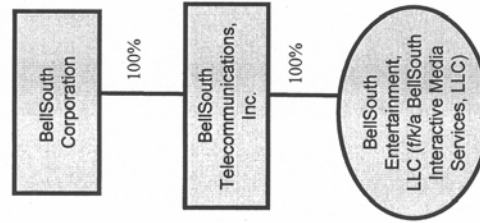
The enclosed CD includes AT&T Inc.'s SEC Form 8-K (filed March 6, 2006), which includes the executed Agreement and Plan of Merger between AT&T Inc. and BellSouth Corporation ("Agreement"). The Agreement does not include Disclosure Schedules, which include confidential information not otherwise publicly available. Also Attachment 1 to this Exhibit 2 is a short summary of the transaction, entitled "Description of the Transaction" and a diagram showing the legal relationship between the franchisee BellSouth Entertainment, LLC and BellSouth Corporation before the transaction and between the franchisee and AT&T Inc. after the transaction.

ATTACHMENT 1 TO EXHIBIT 2

DESCRIPTION OF THE TRANSACTION

AT&T Inc. ("AT&T") will acquire BellSouth Corporation ("BellSouth"). At closing, a wholly-owned subsidiary of AT&T, ABC Consolidation Corporation, will be merged with and into BellSouth, with BellSouth being the surviving entity. Each share of BellSouth common stock will be converted into 1.325 shares of AT&T common stock. BellSouth thus will become a wholly owned subsidiary of AT&T. BellSouth will continue to own the stock of its subsidiaries, and BellSouth and its subsidiaries will continue to hold all of the FCC authorizations that they hold prior to the merger. While AT&T will become the new parent of BellSouth, there will be no assignment of licenses or transfer of direct control of the FCC authorizations, since the current licensees will continue to hold their authorizations.

Pre-Merger Direct Chain of Ownership of BellSouth Entertainment, LLC



Post-Merger Direct Chain of Ownership of BellSouth Entertainment, LLC

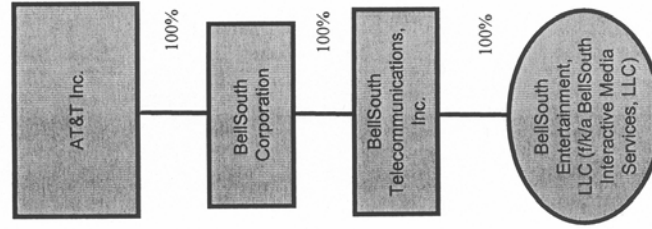


EXHIBIT 3

There are no current plans to change the terms and conditions of service or operations of the system as a consequence of the transaction described in this Form 394.

EXHIBIT 4

This Exhibit 4 contains information in response to Section III, Question 2 that the applicants believe is appropriately responsive and sufficient to permit the franchising authority to review a transaction involving a transfer of control of the franchisee's ultimate parent to a public corporation of the size and with the resources of AT&T Inc.; where the current franchisee would continue to hold the franchise and would own, manage and operate the cable system; and where there are no current plans to change the franchisee's plans with respect to the system as a consequence of the transaction.

TRANSFeree

AT&T Inc.
175 E. Houston Street
San Antonio, TX 78205
(210) 351-3476
Principal business: Telecommunications

EXECUTIVE OFFICERS

Edward E. Whitacre Jr. -- Chairman of the Board and Chief Executive Officer
James W. Callaway -- Senior Executive Vice President - Business Development
James W. Cicconi -- Senior Executive Vice President - External and Legislative Affairs
James D. Ellis -- Senior Executive Vice President and General Counsel
Karen E. Jennings -- Senior Executive Vice President - Human Resources and Communications
James S. Kahan -- Senior Executive Vice President - Corporate Development
Richard G. Lindner -- Senior Executive Vice President and Chief Financial Officer
Forrest E. Miller -- Group President, AT&T Communications Corp.
John T. Stankey -- Senior Executive Vice President and Chief Technology Officer
Randall L. Stephenson -- Chief Operating Officer
Rayford Wilkins, Jr. -- Group President

All executive officers of AT&T Inc. are citizens of the United States, and with the exception of Forrest Miller, maintain their primary offices at the company's headquarters in San Antonio, Texas. Forrest Miller maintains his primary offices in Bedminster, New Jersey.

All directors and executive officers as a group owned less than one percent of the outstanding stock of AT&T Inc. as of December 31, 2005.

AT&T's 2006 Notice of Annual Meeting and Proxy Statement, a copy of which is contained in the enclosed CD, provides additional information about Executive Officers relevant to this Question.

DIRECTORS

Edward E. Whitacre Jr.
William F. Aldinger III

Gilbert F. Amelio
August A. Busch III
Martin K. Eby Jr.
James A. Henderson
Charles F. Knight
Jon C. Madonna
Lynn M. Martin
John B. McCoy
Mary S. Metz
Toni Rembe
S. Donley Ritchey
Joyce M. Roché
Randall L. Stephenson
Laura D'Andrea Tyson
Patricia P. Upton

All directors are citizens of the United States.

All directors and executive officers as a group owned less than one percent of the outstanding stock of AT&T Inc. as of December 31, 2005.

AT&T's 2006 Notice of Annual Meeting and Proxy Statement, a copy of which is contained in the enclosed CD, provides additional information about Directors relevant to this Question.

SHAREHOLDERS

Capital Research and Management Company, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is deemed to be the beneficial owner of 308,247,320 shares, or 7.9% of AT&T's 3,907,512,000 outstanding common stock, as of December 31, 2005. It has sole voting power over 74,265,120 shares, or 1.9% of AT&T's outstanding common stock. Additional information regarding Capital Research and Management Company's ownership interest in AT&T Inc can be found in AT&T's Statement of Ownership filed on SEC Form 13G (filed Feb. 10, 2006), a copy of which is contained on the enclosed CD.

No other stockholder owns more than 5 percent of the outstanding voting shares of AT&T Inc.

EXHIBIT 5

AT&T Inc. is not a corporation formed under the laws of the State of Florida nor is it duly qualified to transact business in Florida. The present cable franchise operator, BellSouth Entertainment, LLC, however, is duly qualified to transact business in Florida. After the transaction which is described in this Form 394, BellSouth Entertainment, LLC, would continue to hold the franchise and own and operate the cable system.

EXHIBIT 6

There are no documents, instruments, contracts or understandings relating to ownership or future ownership rights which would vest in any stockholder an attributable interest described in Section II, Question 2 of Form 394. All directors and executive officers as a group owned less than one percent of the outstanding stock of AT&T Inc. as of December 31, 2005. The stock options of directors and executive officers are described in AT&T Inc.'s ("AT&T") 2006 Notice of Annual Meeting and Proxy Statement filed pursuant to Section 14(a) of the Securities Exchange Act of 1934 (filed March 10, 2006), which is included in the enclosed CD.

As indicated in Exhibit 4, as of December 31, 2005, Capital Research and Management Company is deemed to be the beneficial owner of 308,247,320 shares, or 7.9%, of AT&T's outstanding common stock. No other stockholder owned more than 5 percent of the outstanding voting shares of AT&T, as of December 31, 2005.

As described in Attachment 1 to Exhibit 2, upon consummation of the merger of AT&T and BellSouth Corporation ("BellSouth"), each share of BellSouth common stock will be converted into 1.325 shares of AT&T common stock. Capital Research and Management Company is deemed to be the beneficial owner of a significant number of shares of BellSouth's outstanding common stock, which will be converted to AT&T stock under the share exchange formula described above. Likewise, there are other companies that are deemed to be the beneficial owners of a significant number of shares of the publicly traded stock of both AT&T and BellSouth, and it is possible that one or more stockholders could be deemed to be the beneficial owner of more than 5 percent of the combined company under the share exchange formula described above. However, the share exchange formula applies to all public shareholders of BellSouth common stock and does not represent any agreement with Capital Research and Management Company or any other shareholder.

Finally, because AT&T and BellSouth are publicly traded companies, there is nothing that would prevent an individual stockholder from acquiring enough publicly traded shares such that that stockholder would own more than 5 percent of the combined company upon consummation of the merger.

EXHIBIT 7

No stock of AT&T Inc. is pledged by AT&T as security for loans or contractual performance.

EXHIBIT 8

The enclosed CD contains AT&T Inc.'s 2005 Annual Report on Form 10-K filed with the SEC on March 1, 2006 and AT&T Inc.'s 2005 Annual Report to Stockholders, which contain the most recent audited financial statement of AT&T Inc., including a balance sheet and income statement for at least one full year.

EXHIBIT 9

BellSouth Entertainment, LLC ("BellSouth Entertainment" or "BEI") will continue to manage and operate the cable system after the transaction described in this Form 394. There are no current plans to change the management or operation of the cable system.

BEI has a long history of active participation in the multichannel video service marketplace and has expended significant efforts to introduce cable TV and other competitive video entertainment service options in BellSouth Corporation's ("BellSouth") local markets. In December 1993, BellSouth formed BellSouth Interactive Media Services, Inc. ("BIMS"), BellSouth Entertainment's predecessor in interest, to head its efforts to become a leading provider of consumer-driven, high-quality video entertainment and interactive media services.

In 1994, BellSouth filed an application with the Federal Communications Commission ("Commission") to conduct a Video Trial in portions of the City of Chamblee and DeKalb County, Georgia, under the Commission's Video Dial Tone rules. The application was granted in 1995 and BEI began construction of its first 750 MHz digital video system. Upon passage of The Telecommunications Act of 1996 and before completion of this system, BellSouth was granted the legal right to become a cable service provider. Consequently, the "Chamblee Trial" system was promptly converted from a Video Dial Tone system to a franchised cable television operation. The Chamblee Trial was at the time one of only a few digital interactive video service trials in the U.S. The Trial allowed BIMS to test the technical, economic and marketing viability of a new digital video entertainment offering from BellSouth, and the results of the Trial were used to shape plans for expanding BellSouth's video service offering into other top markets in its region.

In early 1997, BellSouth Entertainment, Inc. (now BellSouth Entertainment, LLC) was formed to provide overall management and daily operational support for BellSouth's BIMS cable operations and for BellSouth's wireless (MMDS and ITFS spectrum based) video operations. BEI has provided and continues to provide, marketing, customer sales, service and billing support along with installation, maintenance and construction for the day-to-day operations of the wireless, coaxial cable, and fiber based video systems used to deliver analog and digital video services to BellSouth's customers. In addition, BEI provides content acquisition and management, business development, purchasing, IT systems, accounting, engineering, and regulatory compliance services. BEI currently offers competitive franchised cable television services in over 14 separate communities in Florida, Georgia and Alabama. A list of the 14 communities in which BEI currently provides competitive cable services is set forth in Attachment 1 to this Exhibit 9.

BEI has a wide range of experience in operating both traditional and new broadband service delivery platforms. In 1997, BEI developed a new and innovative technology design that allowed it to provide new digital cable TV and MMDS wireless digital video services using the same technology platform. These digital video services were introduced in several markets in BellSouth's nine state region. BEI also engaged in

extensive research and development surrounding plans to launch a competitive satellite direct-to-home ("DTH") digital video service in mid-2000 using similar technology. BEI has deployed several next generation wireless broadband ("WBB") networks used to provide wireless internet access services, including emergency relief services in New Orleans and the Mississippi Gulf Coast as a result of Hurricane Katrina. BEI continues to support the evolution of WBB toward WiMAX compliant standards. BEI has over a decade of experience planning, developing, building, testing, and operating various analog and digital video services networks. These networks range from legacy tree-and-branch coaxial cable facilities, to upgraded 750 MHz hybrid-fiber-coax ("HFC") architectures, to integrated fiber-to-the-curb ("FTTC") and fiber to-the-home ("FTTH") networks.

BEI remains committed to exploring new and innovative ways to viably bring competitive video entertainment services to its communities. To that end, BEI is exploring internet protocol (IP) based technology and is evaluating the merits of delivering switched digital video entertainment ("IPTV"), voice and high-speed data services over a single integrated network, including circuit switched twisted pair and fiber-to-the-curb transmission facilities using advanced compression and IP/Ethernet technologies. BEI plans to conduct a market trial of IPTV services in Atlanta, Georgia, during the second half of 2006 to test a variety of new switched digital services.

BEI has a proven track record as an experienced cable operator. BEI's senior management team includes a number of highly skilled managers with twenty or more years of experience in the video entertainment industry and who have held senior management positions in other cable television companies and related businesses. The BEI management team is working diligently to provide competitive cable and video entertainment services to BellSouth's customers and to extend those service offerings to a significantly greater number of its customers in the near future.

Through various subsidiaries and/or affiliates, AT&T has extensive previous experience in developing and operating multichannel video programming systems both in the United States and internationally. However, AT&T has not owned and operated cable systems since SBC Communications Inc. sold the cable systems owned by Ameritech New Media, Inc. to WildOpenWest Holdings, LLC in 2001. AT&T Corp., which was acquired by AT&T Inc. in 2005, divested all of its cable related assets in 2002, when it spun off AT&T Broadband Corp., and AT&T Broadband Corp. merged with Comcast Corporation. The management and operational personnel directly responsible for these various cable systems have generally ceased to be associated with AT&T, either as part of or in connection with the divestitures of the relevant systems.

Although AT&T has not owned and operated cable systems since 2001, it has recently launched a massive effort to expand in-region consumers' video choices through deployment of Project Lightspeed, an initiative to provide an advanced suite of voice, video and data services over AT&T's upgraded fiber network. As part of the Lightspeed implementation, AT&T expects to spend more than \$4 billion in network-related deployment costs and capital expenditures beginning in 2006 through 2008. AT&T will

add approximately 40,000 miles of new fiber to its existing communications network. This upgrade will expand the high-speed broadband capabilities of the network and will enable AT&T to provide a broad array of video programming and other services on an integrated IP platform.

In addition, since 2004, AT&T has been offering satellite television services in the traditional SBC 13-state local service area through an agreement with EchoStar. The AT&T/DISH Network service provides consumers with a choice of ten programming packages; local programs, where available; more than 50 international channels, including popular Hispanic channels; the ability to record and pause live television through the digital video recorder; and high-definition programming.

ATTACHMENT 1 TO EXHIBIT 9

**List of Cable Communities in Which BellSouth Entertainment, LLC
Currently Provides Competitive Cable Service Under a Cable Franchise**

Florida

City of Pembroke Pines
Miami-Dade County
St. John's County
Town of Davie

Georgia

City of Woodstock
City of Chamblee
City of Duluth
City of Lawrenceville
City of Roswell
Cobb County
County of Cherokee
DeKalb County
Gwinnett County

Alabama

City of Vestavia Hills